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Press release 1 October 2019

## **Gapwaves announces intention of directed new share issue of B shares**

**Gapwaves AB ("Gapwaves" or the "Company") today announces its intention of a placement of approximately SEK 70 million to Swedish and international institutional investors. Gapwaves has engaged Pareto Securities AB ("Pareto Securities") to investigate the conditions for a new issue of Class B shares through a so-called accelerated bookbuilding.**

Gapwaves announces its intention to carry out a directed new share issue of approximately SEK 70 million, directed at qualified investors in Sweden and internationally (the "**Directed New Share Issue**"), which is intended to be carried out based on the authorization granted by the annual general meeting on 26 April 2019. Gapwaves has engaged Pareto Securities to investigate the possibilities to conduct the Directed New Share Issue through a so-called accelerated bookbuilding.

The price for the Class B shares is to be determined through an accelerated bookbuilding procedure, which will begin no earlier than 17:31 today, 1 October 2019, and end before the commencement of trading on Nasdaq First North Growth Market on 2 October 2019. The bookbuilding procedure, the determination of the price and allocation of the new shares may, at the discretion of the Company or Pareto Securities, close earlier or later and may be cancelled at any time, and the Company may thus choose not to complete the Directed New Share Issue.

The reason for the deviation from the shareholders' preferential rights are mainly to diversify the shareholder base among Swedish and international institutional investors and at the same time raise capital in a time efficient manner in order to meet the increasing demand from customers. The Directed New Share Issue is carried out to strengthen the Company within customer-driven development projects and manufacturing processes for high-volume production. In addition, the Directed New Share Issue intends to be used to accelerate the industrialization of 5G antennas in order to demonstrate a cost-effective and high-performance 28 GHz 5G antenna. The board of directors' assessment is that the subscription price in the Directed New Share Issue will be in accordance with market conditions, since it will be determined through an accelerated bookbuilding procedure.

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 180 calendar days after the outcome of the Directed New Share Issue. In addition, board members<sup>1</sup> and members of the management<sup>2</sup> who owns shares and/or warrants have undertaken not to sell any shares in Gapwaves for a period of 90 calendar days after the outcome of the Directed New Share Issue, with customary exceptions.

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<sup>1</sup> Chairman Jonas Ehinger and board members Cécile Schilliger, Olle Axelsson, Jan Wäreby and Torbjörn Gustafsson.

<sup>2</sup> Lars-Inge Sjöqvist, CEO, Per Andersson, CFO, Thomas Emanuelsson, CTO, Marcus Hasselblad, VP Product Development and Martin Lundkvist, VP Sales and Marketing.

The Directed New Share Issue is subject to a resolution by the board of directors of Gapwaves, pursuant to the issue authorization given by the annual general meeting on 26 April 2019 to issue new Class B shares, following the close of the bookbuilding.

#### **Advisers**

Pareto Securities AB is acting Sole Manager and Bookrunner and Baker & McKenzie Advokatbyrå KB is legal adviser in connection with the Directed New Share Issue.

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#### **About Gapwaves AB**

Gapwaves originates from research conducted at Chalmers University of Technology and was founded in 2011. Gapwaves vision is to be the most innovative provider of mm-wave antenna systems and the preferred partner to those pioneering next generation wireless technology. By leveraging the disruptive Gapwaves technology we help pioneers in telecom and automotive to create highly efficient mm-wave antenna systems that contributes to re-defining everyday life. Gapwaves markets are e.g. mmWave in 5G telecom and automotive.

Gapwaves share (GAPW B) is traded at Nasdaq First North Growth Market in Stockholm. Certified Adviser is G&W Fondkommission, +46 (0)8 503 000 50, ca@gwkapital.se.

*This information is such that Gapwaves AB is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, at the time set out above.*

#### **Important information**

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(the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**relevant persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European parliament and of the council (the "**Prospectus Regulation**") and has not been approved by any eligible regulatory authority in any jurisdiction. Gapwaves has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed New Share Issue. In each member state of the EEA, this press release is directed only to "**qualified investors**", in accordance with the definition in the Prospectus Regulation, in each such member state.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Directed New Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares, which has not been independently verified by Pareto Securities AB (the "**Manager**"). The Manager is acting for the Company in connection with the Directed New Share Issue and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Directed New Share Issue or any other matter referred to herein.

This press release does not constitute a recommendation for any investors' decisions regarding the Directed New Share Issue. Each potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information regarding the Company and its industry. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. The information in this press release is made available only as background information and does claim to be exhaustive. An investor should thus not solely rely on the information in this press release, nor on its accuracy or completeness. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

#### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release.

#### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Gapwaves have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and

investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Gapwaves may decline and investors could lose all or part of their investment; the shares in Gapwaves offer no guaranteed income and no capital protection; and an investment in the shares in Gapwaves is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed New Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Gapwaves.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Gapwaves and determining appropriate distribution channels.